

# Financial Management Transformation—Huh?

by Mr Paul McClure, Financial Management Transformation Program Management Office

***This seems to be the very essence of Transformation. You take some incredible modern technology and add to it what's on hand, mix in a bit of military can-do, and then free up your mind and turn it on its side to perform a job you've done a thousand times in a way its never been conceived of before.***

**T**ransformation...It's all around us. Secretary Rumsfeld says we've got to do it. The Secretary of the Air Force, Dr Roche, says it's at the top of his list, right behind fighting the war on terrorism. Our own FM, Mr Montelongo, published his vision for Financial Management Transformation in April and has committed six people to it full time. In addition, a considerable amount of his day is devoted to it. One thing is clear; we are going to transform the Department of Defense, the Air Force, and Financial Management. But what does Transformation really mean? How will it change the things we do and how we do them? Does this mean we're not doing a good job today? Will we have to change ourselves? Will we recognize the Air Force and our FM community when we're done? Will we still want to be a part of it?

Let's start by exploring the concept of Transformation. Transformation is new technology to improve our weapons systems and processes...sort of. It's new and innovative ways of doing the same jobs to be more efficient and effective...OK, maybe. It's outsourcing work to the private sector that can be done there at less cost...This is actually A-76, but could be Transformation. It's redesigning processes to provide better service at a lower cost...Perhaps. Well, if it's not really any of these things, what the heck is it? I don't mean to be flip, but it's all of them and none of them. Let me give you an example Secretary Rumsfeld used in a speech to the National Defense University and perhaps that will help explain.

***From the moment [the Special Forces] landed in Afghanistan, they began adapting to the circumstances on the ground. They sported beards and traditional scarves. They rode horses—horses that had been trained to run into machine gun fire...Here we are in the year 2002, fighting the first war of the 21<sup>st</sup> century, and the horse cavalry was back and being used, but being used in previously unimaginable ways. It showed that a revolution in military affairs is about more than building new high tech weapons...It's also about new ways of thinking, and new ways of fighting. Coalition forces took existing military capabilities, from the most advanced laser guided weapons to antique, 40-year-old B-52s...and also the most rudimentary, a man on horseback. And they used them together in unprecedented ways, with devastating effect...<sup>1</sup>***

This seems to be the very essence of Transformation. You take some incredible modern technology and add to it what's on-hand, mix in a bit of military can-do, and then free up your mind and turn it on its side to perform a job you've done a thousand times in a way its never been conceived of before. The result is the cavalry calling in air strikes in a 21<sup>st</sup> century battle. Can you imagine the possibilities? Of course you can. After all, Financial Management has a history replete with this type of innovation. Think of the tools you use today, CRIS, PaperView, MicroBAS...all developed by the FM troop in the field in response to a problem that defied conventional solutions. Transformation is, quite simply, a means to encourage creativity and intelligent risk taking.<sup>1</sup>

All right, I get it. But how will this impact the Financial Management community? I realize we've built some terrific systems in the past that help me get financial information, but what about now? Let's start with the basics. Financial Management in DoD is focused on a simple objective: "Delivering relevant [the cost of forces or activities], reliable [as affirmed by clean audit opinion] and timely financial information on a routine basis to support management decision."<sup>2</sup> Our FM vision expands on this idea and calls us to bring new analytical capabilities to the table when strategic decisions are made throughout the Air Force. To provide better insight into the cost of the various options when confronted with unforeseen requirements.

That's pretty generic, so let's consider a more specific idea. Our Air Force FM vision asks us to imagine a wing where Air Force people can take care of their pay requirements from their phone or computer without a trip to finance. But let's take that concept a bit further still. What if you could change your allotments or withholdings from your computer? That's great except there will inevitably be some occasion where you need more help. So what if you could have a customer hot line staffed with people who can work both your finance and personnel issues...with one call. I like it, but what if the problem is too big for the phone? Imagine walking up to the customer service counter, a combined pay and personnel counter, with a single person who can solve your problem. Now that is Transformation. And that is the kind of idea which can make a significant difference in the life of our customers.

This is heady stuff. It asks us to expand out horizons and think in new directions. But let's get down to brass tacks. I know what's lurking in the back of your mind. "Does this mean I'm doing a lousy job today? I mean, you're asking me to do to do things in a whole new way, am I really that bad?" Not a chance! I've spent my entire adult life in Air Force Financial Management and this is the finest group of people with whom I've ever had the chance to be associated. I've seen innovation, a devotion to customer service, incredible support to our bosses, and I've seen the respect with which peers and commanders have treated Financial Management people. Every person and organization, however, has untapped potential. The opportunity to get even better than they are today. That is what our Transformation is looking for. We want to provide the tools to go beyond our abilities of today and achieve on a completely new level.

Now you're really scaring me. You have just said I'm going to have to change. Well, this is the really great part...you get to help decide how we are going to do all this. We have a team in the Pentagon who will be coordinating the Transformation, but despite what you may think about Pentagon people (smart, efficient, able to leap tall buildings in a single bound), we know the best ideas will come from you. You

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## Financial Management Transformation—Huh? (Continued)

can send us an email at [fm.transformation@pentagon.af.mil](mailto:fm.transformation@pentagon.af.mil). In addition, the Transformation Team is working with the MAJCOMs to collect the best ideas for automation, expanding analytical capabilities, improving customer service and a variety of other initiatives. On an even more basic level, we are looking for new definitions of customer service and analysis. We've been told to throw out all the constraints and consider even the wildest ideas. Ignore organizational boundaries, traditional FM career fields, current limitations in the accounting system, and how we do business today. If you could do anything different, what would it be? What is that great idea you've been keeping in the back of your mind all these years? Let us know. If you haven't already read the Air Force Financial Management Vision Statement, do it today. In it, Mr. Montelongo has committed us to a new way of thinking about our role in the Air Force. We want each of you to be a part of that new vision, as a participant, a contributor, an advocate.

Will you recognize Air Force Financial Management when Transformation is completed? We will still be serving our customers...but better and perhaps in different ways. We will still produce and execute a budget...but more automated and with more complete analysis of alternatives. We will still have the same people...but with more training and additional analytical abilities. In short, FM will become what we can envision.

<sup>1</sup>Secretary Rumsfeld speaks on "21<sup>st</sup> Century Transformation" of U.S. Armed Forces. Remarks as delivered by Secretary of Defense Donald Rumsfeld, National Defense University, Fort McNair, Washington, D.C., Thursday, January 31, 2002.

<sup>2</sup>Transforming Department of Defense Financial Management, A Strategy for Change, April 13, 2002

## About the Author

**M**r Paul McClure is a Senior Requirements Analyst with Science Applications International Corporation (SAIC) assigned to the Financial Management Transformation Program Management Office. He retired as a Lt Colonel from the Air Force in October 2000 after serving nearly 22 years in Cost and Management Analysis, Budget, and Comptroller. Base level assignments include Eielson AFB AK and Osan AB ROK. MAJCOM assignments include SAC, ATC, AMC, and PACAF. While on the Air Staff, he served as the Chief, Budget Formulation, ANG, and as Branch Chief, Budget Formulation, SAF/ FMBOI. Since joining SAIC in November 2000 he has worked exclusively for SAF/FMB on projects including the Air Force Resource Allocation Process, HQ Air Force Resource Management Process, and the Financial Information Requirements System (FIRST). He holds a Masters degree in Management from Webster University.